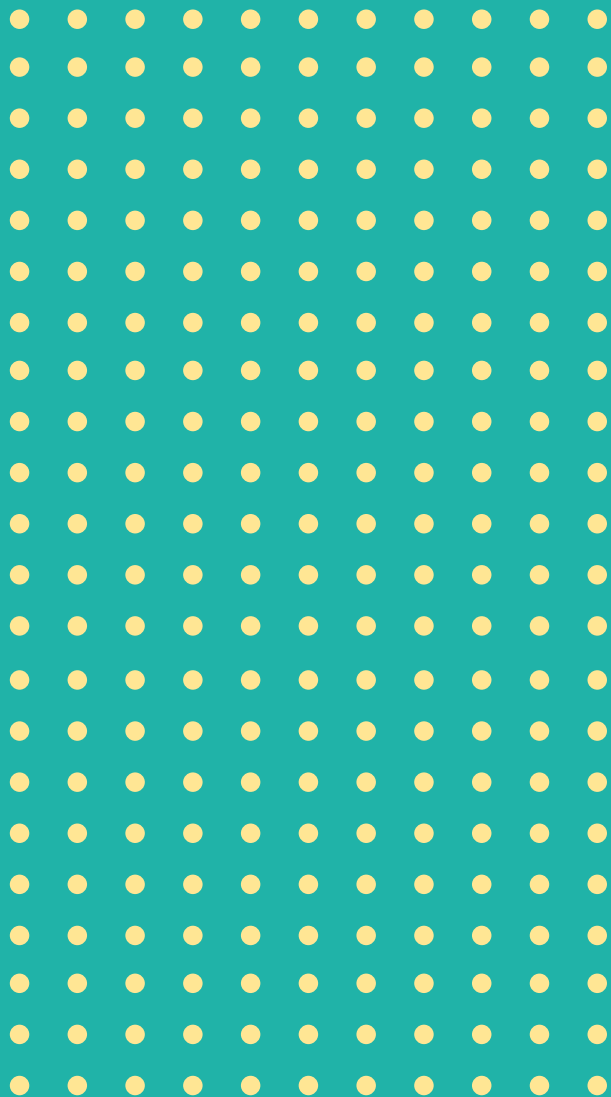


Ministry of Industrial Development, SMEs and Cooperatives
(Industrial Development Division)

ANNUAL REPORT

JULY 2020 - JUNE 2021



INSIDE FRONT COVER

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STATEMENT FROM HONOURABLE MINISTER



I am pleased to present the Annual Report of the Ministry of Industrial Development, SMEs and Cooperatives (Industrial Development Division) for the financial year 2020/2021. Indeed, this is an opportune time to reflect on the resilience of the manufacturing sector which has been battling against adversities to stay afloat and remain competitive.

It is an undeniable fact that until 2019, the manufacturing sector was on an ascending trend with positive growth. The economy was also prospering to the extent that it attained the threshold of the World Bank for classification as a high-income country. The sudden outbreak of the Covid-19 pandemic created havoc, striking all countries no matter their level of development. In a short span of time, the Covid-19 health crisis reached our shores. Government reacted promptly by taking bold actions to ensure health and safety of the population, proper functioning of state affairs and continuation of economic activities. In so doing, we have been able to respond to the challenges of the day, meet expectations of the population and plan for the future.

However, the uphill battle against the Covid-19 is still on and we have to live with this deadly virus. We are strictly following the guidelines of the World Health Organisation and the advice of professionals in the health sector.

On the economic front, Government has spared no efforts to stimulate consumption and production by introducing a host of measures in the last Budget. Emphasis is being laid on safeguard of employment and support to vulnerable groups of the society. Additionally, the country has embarked on a nation-wide vaccination programme to achieve herd immunity.



As regards the manufacturing sector, it is worth mentioning that enterprises are adhering to all sanitary protocols to avoid any Covid-19 contamination. The good news is that they are operating in a secure environment to effectively deliver export orders and fulfil demand on the local market. I am glad that there have been no major casualties resulting from closures despite the difficult trading situation. On the contrary, I understand that our manufacturing enterprises are combatting fiercely to regain momentum and improve their business performance.

At Government level, I welcome the fighting spirit of the industry captains. In fact, my Ministry is constantly assisting them by maintaining proximity through regular site visits. Moreover, we are advising them on existing support programmes and market opportunities in the context of Free Trade Agreements signed recently. Latest statistical data and feedback from operators indicate that the situation is evolving optimistically and we are heading for positive growth in 2021, both in terms of output and exports.

On the other hand, expansion of the manufacturing sector is well anchored with some ten industrial projects under implementation. Foreign Direct Investment in manufacturing is also on the rise reaching Rs 1.6 billion in 2020 as compared to Rs 362 million in 2019.

I wish to underscore that a new Industrial Policy and Strategic Plan (2020-2025) for Mauritius has already been elaborated by my Ministry in collaboration with the United Nations Conference on Trade and Development for a new paradigm shift in the manufacturing landscape. I have already put in place the necessary implementation mechanism through the setting up of an Industrial Policy Executive Oversight Committee and I expect that in the coming years, we will achieve the vision of becoming '*a globally competitive and sustainable industrial sector*'.

To conclude, I would like to extend my deep appreciation to officers of my Ministry and all stakeholders for their close collaboration and support in our endeavour to build a strong, resilient and vibrant manufacturing base capable to withstand the test of time.

Soomilduth Bholah

Minister of Industrial Development, SMEs and Cooperatives

STATEMENT FROM PERMANENT SECRETARY



It is my privilege to be associated with the publication of the Annual Report 2020/2021 of the Ministry of Industrial Development, SMEs and Cooperatives (Industrial Development Division).

This financial year was an eye-opener as we had to reconcile with the “*new normal*”, resulting from the outbreak of the Covid-19 pandemic. The Ministry ensured business continuity throughout and sustained its efforts to mitigate the impact of the pandemic through strict compliance to sanitary protocols at workplace, involvement of some staff for contact tracing exercise and support to enterprises to expedite the issue of Work Access Permits.

In this pandemic journey whereby we are consistently being called upon to re-assess our way of operating, the Ministry embarked on an upgrading programme to foster a more conducive work environment and to procure latest digital equipment for holding online meetings and working sessions. This initiative was particularly helpful for participation of the Honourable Minister in the 4th Meeting of the COMESA Ministerial Committee on Industry, held virtually on 28th May 2021. It is also proving very convenient for the Ministry’s staff to interact with stakeholders on industry-related matters, with reduced face-to-face contact. With a view to fulfilling more effectively our role as facilitator and catalyst for industrial development, the Technical Cadre of the Ministry has recently been reinforced with the recruitment of additional Analysts.



On the industrial front, I wish to highlight that the implementation of the Industrial Policy and Strategic Plan (IPSP) 2020-2025 is well underway. Indeed, the Ministry continues to work closely with all industry partners to stimulate investment in manufacturing, tap new market opportunities and improve the supply side capabilities. The broad objective of this collaborative partnership is to bounce back rapidly so that the manufacturing sector regains its pre Covid-19 momentum. I am glad to share that we are moving in the right direction, as evidenced by the remarkable growth in exports registered during the first semester of 2021.

On a concluding note, I wish to express my heartfelt appreciation to the Editorial Team for their contribution and support in the preparation of this Annual Report and to the staff for their commitment towards the attainment of objectives set and enhanced service delivery.

Bibi Fatwma Abdool Raman Ahmed (Mrs)

Permanent Secretary





PART 1

ABOUT THE
INDUSTRIAL
DEVELOPMENT
DIVISION



VISION

An innovation-led industrial sector.



MISSION

To act as a facilitator and catalyst for the development of a resilient, vibrant and competitive manufacturing sector with a view to fostering employment creation and generating wealth for higher economic growth.

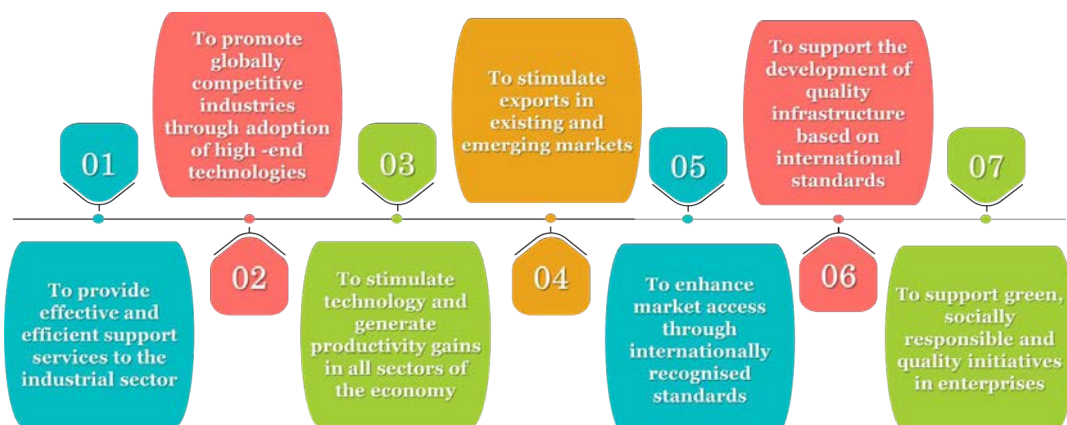


ROLES AND FUNCTIONS OF THE INDUSTRIAL DEVELOPMENT DIVISION

- Promotion of Sustainable Industrial Development.
- Acts as a facilitator and catalyst through the formulation and implementation of appropriate policies, programmes and strategies for the emergence of a strong, modern and diversified manufacturing base.

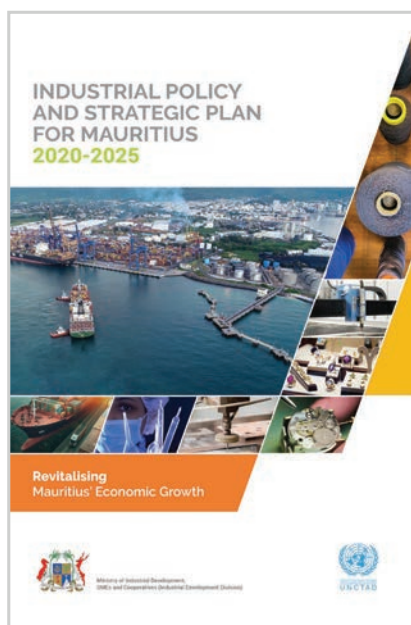


MAIN OBJECTIVES



POLICIES TO FOSTER INDUSTRIAL DEVELOPMENT

Launching of an Industrial Policy and Strategic Plan (2020-2025) for Mauritius



The Industrial Policy and Strategic Plan (IPSP) (2020-2025) for Mauritius, which was prepared with the assistance of the United Nations Conference on Trade and Development (UNCTAD) was launched by Honourable S. Bholah, Minister of Industrial Development, SMEs and Cooperatives on 4 December 2020. Senior Officials from UNCTAD namely Mr. Richard Kozul-Wright, the Director of Globalisation and Development Strategies Division and Mr. Piergiuseppe Fortunato, Senior Economist and Project Leader as well as Prof. Justin Barnes, the International Consultant, participated virtually in the Launching Ceremony.

Key representatives from the public and private sector were present for the Launching Ceremony. The IPSP, which has been prepared following extensive consultations with our public and private sector partners, embeds innovative, transformative and bold policy measures to pave the way for the next lap of growth for the manufacturing sector.





Launching Ceremony of IPSP (2020-2025), The Westin Turtle Bay Resort & Spa, Balaclava

Main Industrial Policies in the Industrial Policy & Strategic Plan (2020-2025)



Main Customers





Departments of the Industrial Development Division and Parastatal Bodies operating under the Division





Departments of the Industrial Development Division and Parastatal Bodies operating under the Division



Assay Office

- Regulates the manufacture, sale and importation of gold, silver, palladium and platinum jewellery, and precious/semi-precious stones under the Jewellery Act 2007.
- Registers jewellers dealing in precious metals and jewellery made of gold, silver, palladium and platinum, and precious or semi-precious stones.
- Assays jewellery made of gold, silver, palladium and platinum and their alloys.
- Verifies gemstones and grades diamonds.
- Please visit www.assayoffice.org for additional information.



MAURITAS

- Established as the national accreditation body following the enactment of the Mauritius Accreditation Service Act 1998.
- Provides a national unified service for the accreditation of conformity assessment bodies (e.g. laboratories, inspection bodies and certification bodies) to international standards.
- Establishes agreements on mutual recognition with other national, regional and international accreditation bodies and to obtain and maintain international acceptance of the competence of conformity assessment bodies accredited by MAURITAS.
- Please visit www.mauritas.org for more information.

Departments of the Industrial Development Division and Parastatal Bodies operating under the Division



Mauritius Standards Bureau

- Set up in 1975 and became a corporate body under the Mauritius Standards Bureau Act 1993.
- Develops standards, conducts testing and calibration, certifies products and management systems and also provides training in quality related issues.
- Acts as the custodian of the national measurement standards and is the National Enquiry Point for WTO/TBT issues.
- Implements strategic directions provided by the Standards Council which ensures that the organisation meets its corporate objectives.
 - Please visit <http://msb.intnet.mu/> for additional information.



Fashion & Design Institute

- Set up in September 2009 under the Fashion and Design Act 2008 to promote excellence in the field of design education.
- Provides academic courses and short courses in the field of Art and Design, Fashion and Textiles, Graphic Design, Interactive Media, Interior Design and Jewellery Manufacturing and Design.
- Conducts training for the Jewellery sector in fields such as design, stone setting, casting and engraving.
- Offers consultancy services to the business community and organises fashion shows, artistic exhibitions to showcase the skills and talents of its students.
- Ensures collaboration with the private sector through a Consultative Committee
- Please visit <http://www.fdi.mu/> for additional information.



National Productivity and Competitiveness Council

- Established in 2000 as a national body under the National Productivity and Competitiveness Council Act of 1999.
- Fosters a productivity culture and stimulates productivity gains in all sectors of the economy through the organisation of training courses, in-plant interventions, sensitisation campaigns and webinars.
- Organises annual productivity award competition at national level.
- Please visit <http://www.npccmauritius.org> for additional information.



Gender Statement

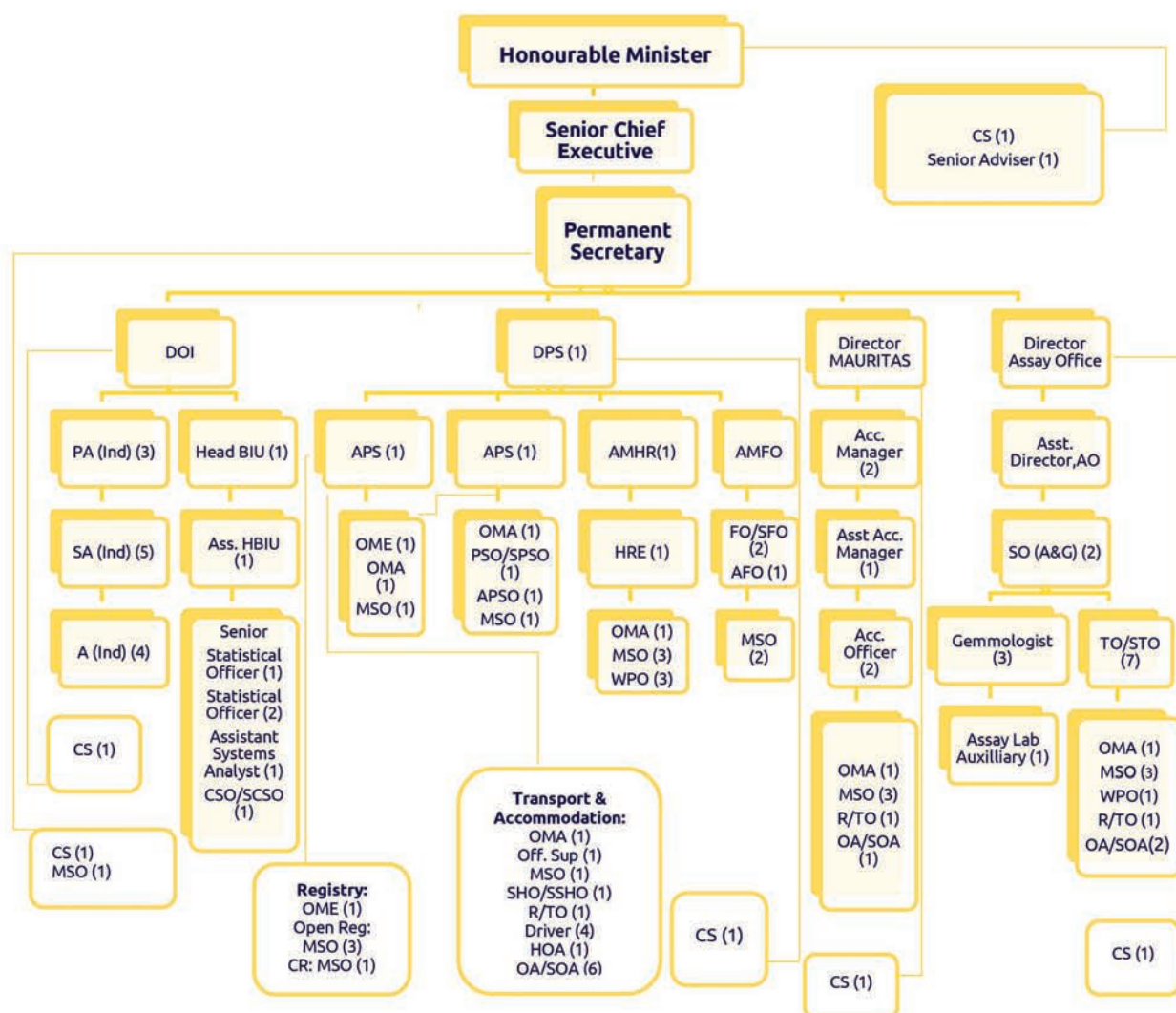
The Gender Statement of the Industrial Development Division is as follows:



For Financial Year 2020/2021, the Ministry participated in the Technical Working Group meeting set up to look into different aspects of the implementation of the National Strategy and Action Plan on the Elimination of Gender Based Violence 2020-2024. A first meeting was held at the SME Division where representatives of the three Divisions of the Ministry met to discuss on possible avenues for implementation of assigned objectives.

About Our People

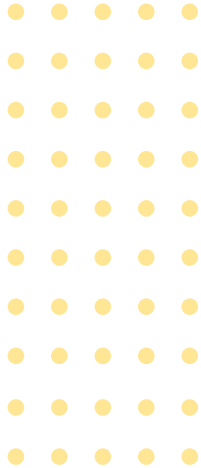
Organisational Structure (Industrial Development Division)



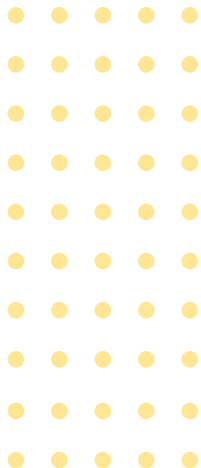
A (Ind) – Analyst (Industry)
 Acc. Manager – Accreditation Manager
 Acc Officer – Accreditation Officer
 Asst Acc Manager – Assistant Accreditation Manager
 AFO – Assistant Finance Officer
 AMFO – Assistant Manager Financial Operations
 AMHR- Assistant Manager, Human Resource
 APS – Assistant Permanent Secretary
 APSO – Assistant Procurement and Supply Officer
 Asst HBIU- Assistant to Head Business Information Unit
 Asst. Acc. Manager – Assistant Accreditation Manager
 Asst. Director, AO – Assistant Director, Assay Office
 Head BIU – Head Business Information Unit
 CS – Confidential Secretary
 CSO/SCSO – Computer Support Officer/Senior Computer Support Officer (Part time)
 DOI – Director of Industry
 DPS – Deputy Permanent Secretary

FO/SFO-Financial Officer /Senior Financial Officer
 HOA- Head Office Auxiliary
 HRE – Human Resource Executive
 MHR- Manager Human Resources
 MSO-Management Support Officer
 OA/SOA – Office Auxiliary/Senior Office Auxiliary
 Off. Sup - Office Supervisor
 OMA – Office Management Assistant
 OME – Office Management Executive
 PA (Ind) – Principal Analyst (Industry)
 PSO/SPSO – Procurement & Supply Officer/ Senior Procurement & Supply Officer
 R/TO - Receptionist/Telephone Operator
 SA (Ind) – Senior Analyst (Industry)
 SHO/SSHO (part time) – Safety and Health Officer/Senior Safety and Health Officer
 SO (A&G) – Scientific Officer (Assay and Gemmology)
 TO/STO-Technical Officer/Senior Technical Officer (Assay Office)
 WPO – Word Processing Operator

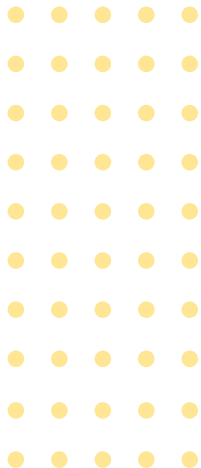
Industrial Development Division – Team Members



Honourable Minister & Head of Sections



Administrative Team, Receptionist & Confidential Secretaries



Technical Team



Business Information Unit & IT & Statistics Unit

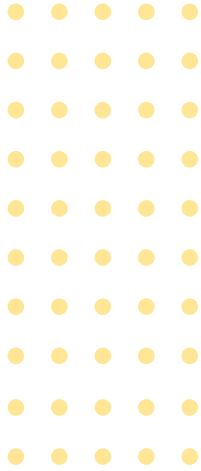


Finance Section & Procurement and Supply Section

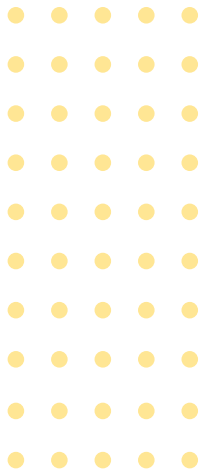


Human Resource Section & WPO

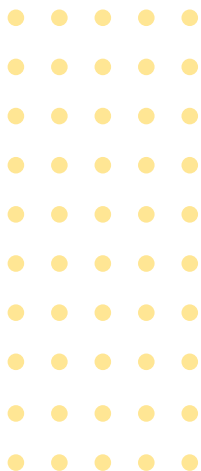
Industrial Development Division – Team Members



Accommodation and Transport Section & Drivers



Registry



Office Auxiliaries



Human Resource Development

Our team is our strength. In line with the vision and mission of the Industrial Development Division, our efforts are geared to deliver seamless, efficient and effective delivery of services to all stakeholders.

On that score, during the year 2020/2021, the Division prepared a Training plan, taking into consideration the training needs and bridging the gaps identified during the performance appraisal exercise. Due to the resurgence of COVID-19 in 2021, face-to-face training was ultimately cancelled. However, the Division seized the opportunities offered by the Civil Service College Mauritius (CSCM) to conduct Special Live Online Training adapted to the needs of the Public Sector organisations.

In this context, eighty four (84) officers of various grades attended different training courses as follows:

- **35** officers trained by CSCM and MPSAIR;
- **16** officers trained in occupational safety and health by the Occupational and Health Division;
- **13** officers participated in virtual workshops/seminars abroad;
- **11** officers participated in 3 online self-based and flexible courses; and
- **9** officers followed online courses during working hours.

Work Placement

Work placement was offered to graduates, school leavers and university students under different programmes so that they acquire unrivalled learning experience, necessary skills and competencies as follows:

- Service to Mauritius Programme (2)
- Youth Employment Programme (1)
- Students under the Work Employment Programme (2)



Human Resource Development

Remembering the contribution of our Staff Members and wishing them All the Best



- **Mr. Ajay SOMANAH**, Director, Assay Office, who retired from service.
- **Mrs. Geetawantee RAMNAUTH**, Deputy Permanent Secretary, who has been posted to another Ministry.
- **Mrs. Vandanah Devi APPADOO**, who has been promoted as Deputy Permanent Secretary and posted to another Ministry.
- **Mr. Rajcoomar SUNKUR**, Principal Analyst (Industry), who retired from the service.
- **Mr. Boodramsingh SOONDUR**, Principal Analyst (Industry), who retired from the service.
- **Mrs. Poornima HURRY**, Office Management Executive, who retired from the service.
- **Mrs. Hawan Bibi Ismaël DHOODAD**, Office Supervisor, who retired from the service.
- **Mr. Rahmat Danyen**, Assay Laboratory Auxiliary, who retired from the service.
- **Ms. Asmaa Aboobakar MAMODJEE**, STM (Service to Mauritius) intern, who accepted another job offer.

Warm Welcome to Our Newbies



- **Mr. Jean Daniel Philippe LABONNE**, Deputy Permanent Secretary, who has been newly posted to the Division.
- **Mr. Prithish Singh SEEBOO** who has joined the team as Assistant Permanent Secretary.
- **Ms. Anshinee Devi RAMANA**
- **Ms. Sneha NEERUNJUN**
- **Ms. Yashveena SOOKUN**
- **Ms. Trishula BEKARMA**
- **Mrs. Vedita JAYPAUL SEESURUN**
- **Ms. Reecha Devi KISHNAH**

who have been appointed as
Analyst (Industry) this year



Congratulations are in order for the following staff who have been promoted



As Principal Analyst (Industry)

- **Mr. Ravindranath BHAROSAY**
- **Mrs. Shamima ABDUL CARRIM**

As Senior Analyst (Industry)

- **Mr. Bheerajlall RAMDOYAL**
- **Mrs. Zarina MAHAMODHOSSEN-MANDARUN**
- **Ms. Heista SEEBORUTH**
- **Mr. Bhooyasheel Akshay SEEDOYAL**

Tribute



Mrs. Marie Dorine SIN FAI LAM,

Senior Analyst (Industry), who retired from the service on 08 July 2020 and passed away on 25 September 2020. You will be missed by all of us.

Safety and Health at the Workplace

The Safety and Health Committee set up in accordance with Section 21 of the Occupational Safety and Health Act 2005, is chaired by Mr R. N. Gopee, Director of MAURITAS. Meetings were held every two months to look into safety and health issues across all units of the Ministry. The recommendations and proposals of the Safety and Health Committee are given urgent attention so as to eliminate any risk to safety and health of officers.

A Safety and Health Officer from the Ministry of Public Service, Administrative and Institutional Reforms is posted at the Division and provides assistance and advice in all aspects of occupational safety and health.

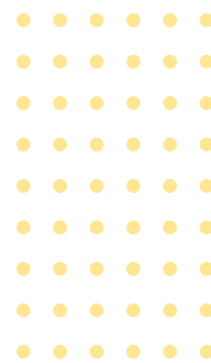
COVID-19 Dedicated Response Team

In line with the requirements of the Ministry of Public Service, Administrative and Institutional Reforms, a COVID-19 Dedicated Response Team (DRT), under the chair of the Permanent Secretary, has been set up with a view to ensuring compliance with the sanitary measures established at the workplace, protecting Public Officers from any risk of contamination, and addressing any other COVID-19 related issues.



PART 2

MINISTRY/
DEPARTMENT
ACHIEVEMENTS &
CHALLENGES



Major Achievements of the Manufacturing Sector

Manufacturing

- The manufacturing sector is one of the most important sectors of the Mauritian economy with a contribution of **12.1%** to Gross Value Added (GVA) in 2020.
- The GVA in the manufacturing sector amounted to **Rs 46.03 billion** in 2020.
- In 2020, the manufacturing output stood at **Rs 108.0 billion** whereby about **35%** was destined to the export markets.
- The manufacturing sector comprises **235** Export Oriented Enterprises (EOEs) geared towards the export markets and **357** large Domestic Oriented Enterprises (DOEs) catering for the domestic market. The sector provides employment to around **90,400** people.
- The sector encompasses textile and clothing, food processing, fish and fish preparations, jewellery and precious stones, medical devices, light engineering, wood furniture, printing and publishing, watches and clocks, optical goods, injection plastic moulding and chemicals activities.

Exports

- Domestic exports (excluding sugar) stood at **Rs 40.7 billion** in 2020.
- At sectoral level, textile and apparel sub-sector accounted for around **48%** of domestic exports (excluding sugar) in 2020. Other export manufacturing activities contributing effectively to domestic exports are fish and fish preparations (**23%**), jewellery/precious stones (**6%**), medical devices (**3%**) and watches and clocks (**2%**).
- The main export markets are UK, France, USA, Germany, Italy, Netherlands, Spain, South Africa and Madagascar.

Market Diversification

- In an attempt to rebalance our exports, continued efforts are being pursued for greater market diversification. The African region and emerging markets such as Australia, Eastern Europe, Gulf, Asian and Scandinavian countries along with Japan and Canada have been identified as having export growth potential.
- In 2020, an increase in exports of goods was registered in new markets such as Lesotho (**484%**), Saudi Arabia (**461%**), Guadeloupe (**457%**), Norway (**200%**), UAE (**177%**), Mozambique (**171%**), Austria (**75%**), Malaysia (**41%**), Singapore (**36%**), Russia (**29%**), Republic of Korea (**21%**) and Oman (**18%**).

Major Achievements of the Manufacturing Sector

Industrial Expansion

- Our industrial development policy hinges on the broadening of our manufacturing base. In this context, the deepening of the industrial structure and emergence of new growth poles are high on our agenda.
- For 2020, the manufacturing sector recorded a total investment worth **Rs. 3.3 billion** on industrial building, plant and machinery, of which **Rs. 1.65 billion**, was in the form of Foreign Direct Investment.

Sustainable Production

- The Government, through its Programme 2020-2024, showed its commitment to move towards an inclusive, high income and green Mauritius. In this connection, the Ministry is already treading on the path of sustainable industrial production to achieve higher economic growth. The recently published IPSP underlines the importance of sustainable production in the industrial transformation process.
- The Ministry is presently implementing a project on “Industrial Waste Management-Cost Structure Review” with the assistance of UNIDO under the Partnership for Action on Green Economy initiative and in collaboration with Business Mauritius. The project aims to study the cost burden of industrial solid waste management on manufacturing enterprises with a view to enhance their competitiveness. It will also provide policy advice on the Extended Producer Responsibility (EPR) principle to further improve reduction, re-use and recycling of waste in the country.
- The Ministry has also been present in most of the forums promoting sustainable industrial development through the adoption of efficient use of inputs, waste recovery and green productivity.





Support to the Jewellery Sector



The Assay Office provides support to the development of the jewellery sector by providing assaying and gemmology services.

For the period July 2020 to June 2021, the Assay Office:

- registered **33** new jewellers bringing the total number of jewellers to **548**;
- renewed the registration of **530** jewellers;
- verified **863** gemstones for identification and grading purposes;
- assayed **360** jewellery/alloys made of gold and silver;
- delivered **226** valuation certificates certifying the gold contents in the jewellery items;
- endorsed **7,608** ownership declaration forms for sale of second-hand jewellery; and
- generated a revenue of Rs **3.96** million.

Accreditation Services



During the financial year 2020/2021, MAURITAS:

- Granted accreditation to **3** new laboratories, namely, Drymix Ltd Laboratory on 26 October 2020, Consolidated Fabrics Ltd Laboratory on 21 May 2021 and CDL Knits Testing Laboratory on 31 May 2021;
- Has extended the scope of **5** accredited laboratories, namely, Polyeco SA Waste Management and Valorization Industry, Abiolabs Ltd (Testing), Mauritius Standards Bureau (MSB) Testing Laboratories, Food Technology Laboratory and Intertek (Mauritius) Ltd;
- Successfully transited all laboratories to the new standard ISO/IEC 17025:2017 prior to the deadline of 01 June 2021 set by the International Laboratory Accreditation Cooperation (ILAC);
- As at 30 June 2021, the total number of conformity assessment bodies accredited amounts to **34** which represents **789** parameters and **35** scope sectors;
- Maintained its international recognition to the Mutual/Multilateral Recognition Arrangements of the International Laboratory Accreditation Cooperation (ILAC), the International Accreditation Forum (IAF), the African Accreditation Cooperation (AFRAC) and the Southern African Development Community Cooperation in Accreditation (SADCA). The Accreditation certificates issued to conformity assessment bodies by MAURITAS are accepted worldwide;
- Carried out a training course on the updated international standard ISO 22000:2018 for **9** participants in January 2021;
- Generated revenue to the tune of **Rs 2.88 million** for the provision of accreditation services.

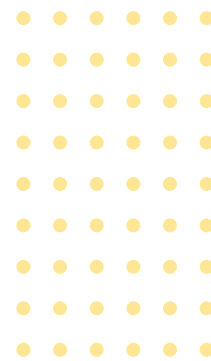
Major Achievements of the Manufacturing Sector

Support to Export



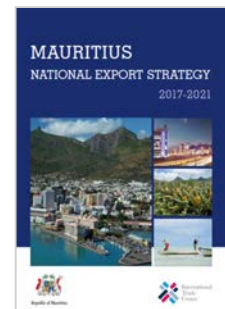
The table below depicts the number of beneficiaries and amount disbursed for the different Schemes during the period July 2020 - June 2021.

Schemes	Support Provided	Number of Beneficiaries	Amount Disbursed (Rs million)
Trade Promotion and Marketing Scheme (TPMS)	<p>A 60% refund on air freight costs for exports of all agricultural and non-agricultural products produced/manufactured in Mauritius except for machinery, live animals and chemicals.</p> <p>The eligible markets are Africa (including Madagascar), USA Australia, Canada, Europe, Japan, Middle East Countries, & Vietnam.</p> <p>The scheme is valid up to 30 June 2022.</p>	279	192
Freight Rebate Scheme	<p>A subsidy of 25% on sea freight costs either to a maximum of USD 300 per 20 ft. container or to a maximum of USD 600 per 40 ft. container for export of locally manufactured goods to selected ports in Africa.</p> <p>The scheme is valid up to 30 June 2022.</p>	51	22
Export Credit Guarantee Insurance Scheme	<p>A refund of 50% on the premium paid up to a maximum of 0.5% on the insurance policy taken on consignments for export to all market destinations.</p> <p>The scheme is valid up to 30 June 2022.</p>	12	3.6
Participation in International Fairs SME Refund Scheme	<p>A refund of Rs 200,000 annually on the cost of participation (airfare and accommodation) for small and medium enterprises participating in international fairs.</p>	22	1.5
Africa Warehousing Scheme	<p>The scheme provides a 60% refund on annual warehousing costs incurred by Mauritian manufacturing entities operating warehouses in Tanzania.</p> <p>The refund is time-bound for 2 years and capped at Rs 1.2 million for the first year and Rs 0.3 million for the second year.</p>	Nil	Nil



National Export Strategy (NES)

The National Export Strategy (NES) was prepared for Mauritius, with the technical and financial assistance of the International Trade Centre (ITC). It is an overarching and comprehensive export strategy document covering seven priority sectors namely; Agro-Processing, Cultural Tourism, Financial Services, Fisheries and Aquaculture, Jewellery, Medical Devices and Software Development. The NES which was launched in March 2017, has reached the end of its implementation time frame in February 2021. The overall achievement rate of implementation of the NES stood at 60%. Many of the sectoral recommendations relating to Jewellery, Medical Devices, Agro-Processing, Fisheries and Aquaculture and SME Internationalisation have been taken on board in the new Industrial Policy and Strategic Plan (2020-2025) for Mauritius, launched by the Honourable Minister in December 2020.



Implementation of Industrial Policy and Strategic Plan (2020-2025)



The Industrial Policy and Strategic Plan (IPSP) (2020-2025) for Mauritius was prepared with the assistance of UNCTAD. For this purpose, UNCTAD enlisted the services of Professor J. Barnes to undertake the study, which included site visits at enterprises, meetings with stakeholders and drafting of the Report. The final document was launched on 04 December 2020. The overall objective of the IPSP is to give a boost to the manufacturing sector and contribute further to the economic growth of the country.

The Strategic Plan comprises 22 main recommendations resting on five (5) Focus Areas namely: Industry Foundations, Upgrading of Value Chains, Increased Domestic Market Supply, Regional and Global Export Growth and Advanced Technology Absorption. It also includes dedicated Plan of Action for key sectors within manufacturing, namely: Domestic Enterprises, Textile and Clothing, Food Processing and Fish Preparations, Medical Devices, Pharmaceuticals and Medical Products and Jewellery. Immediately after the launching of the IPSP, the Honourable Minister set up an Industrial Policy Executive Oversight Committee (IP-EOC), under the Chairpersonship of the Permanent Secretary of the Industrial Development Division. The IP-EOC, which comprises key stakeholders from public and private sector organisations, oversees the implementation of the recommendations in the IPSP.

Subsequently, the IP-EOC established eight (8) Sub-Committees to ensure timely realisation of the recommendations, as follows:

- Three (3) Sub-Committees on Focus Areas namely, Industry Foundations (including Upgrading of Value Chains), Regional and Global Export Growth and Advanced Technology Absorption.
- Five (5) Sub-Committees on Sectoral Plan of Action namely, Domestic Enterprises, Textile and Clothing, Food Processing and Fish Preparations, Medical Devices, Pharmaceuticals and Medical Products and Jewellery.

In order to enlist the participation of the private sector in the implementation of the IPSP, most of the Sub-Committees are being chaired by leading industrialists from the private sector and assisted by representatives of the Ministry.

Major Achievements of the Manufacturing Sector

Virtual participation of Honourable Minister in COMESA 4th Ministerial Committee

The Honourable Minister, together with the Permanent Secretary and other Senior Officials of the Ministry, participated in the 4th Ministerial Committee which was held on 27 May 2021. The main objectives were to:

- deliberate and adopt the draft Implementation Strategy for the domestication of the COMESA Local Content Policy Framework;
- consider the draft COMESA Framework of Managing Special Economic Zones and Industrial Parks; and
- adopt Guidelines on Increasing Industrial Production during and after the Covid-19 pandemic in an inclusive and sustainable way.



High-Level Committee with Private Sector on Free Trade Agreements

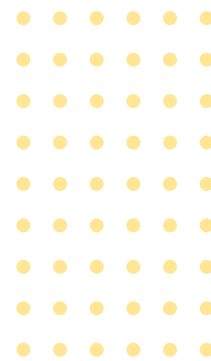
A High-Level Committee chaired by the Honourable Minister was held with the private sector to discuss on maximising trade potential under Trade Agreements such as African Continental Free Trade Area (AfCFTA), Mauritius China-Free Trade Agreement and the Comprehensive Economic Cooperation and Partnership Agreement (CECPA). It is to be noted that the CECPA provides for preferential access for **615** products in the Indian market while the FTA with China provides duty-free access on the Chinese market for some **7,504** tariff lines. The Ministry is currently exploring avenues to leverage fully on these Agreements and ultimately boost export and investment in the near future.



CECPA provides for preferential access for 615 products in the Indian market while the FTA with China provides duty-free access on the Chinese market for some 7,504 tariff lines.

Status on Implementation of Budgetary Measures 2020/2021 in relation to the Manufacturing Sector

Paragraph	Measures	Status
36 (a)	Waiving fees related to the Building and Land Use Permit (BLUP) for construction of pharmaceutical manufacturing factories, food processing plants and warehouses.	Already operational with the enactment of the Finance Act 2020.
68	Develop a Buy Mauritian Programme to promote local entrepreneurship and industrial development.	A national campaign and short film "Nou Ress Loyal Nou Konsom Lokal" were launched in May 2020. Building awareness on buying locally manufactured goods is an ongoing exercise.
69	Enact appropriate legislations and impose quotas where needed to protect and promote the 'Made in Mauritius' brand.	<ul style="list-style-type: none"> The International Trade Division (ITD) is in the process of reviewing the "Trade (Anti-dumping and Countervailing Measures) Act 2010" to include safeguard provisions. The new legislation will be known as the "Trade (Anti-dumping, Countervailing and Safeguard Measures) Act".
70	Imposition of a minimum shelf space of 10 percent for locally manufactured goods in supermarkets.	<ul style="list-style-type: none"> Already operational and follow up in supermarkets is being carried out by the Consumer Affairs Unit of Ministry of Commerce and Consumer Protection. Regulations are being drafted by the Ministry of Commerce and Consumer Protection under Section 35 of the "Consumer Protection (Price and Supplies Control) Act 1998."
74	Extension of the investment tax credit of 15 percent over 3 years to all manufacturing companies	Already operational with the enactment of the Finance Act 2020.
75	Double deduction on the costs incurred for acquisition of patents and franchises as well as compliance with international quality standards and norms.	Already operational with the enactment of the Finance Act 2020.
76	Financial support by ISP Ltd to enterprises producing hygienic goods such as sanitisers, PPEs, masks, handwash and medical devices.	Already operational under existing schemes at ISP Ltd.
81	Government support for the first two years of operation of a "Made in Mauritius" warehouses set-up in Tanzania and Mozambique.	<ul style="list-style-type: none"> The Africa Warehousing scheme, which is managed by Economic Development Board, was introduced with a view to enhance access of Mauritian products in African markets. It provides a 60% refund on the rental and administrative costs for warehousing in Tanzania by Mauritian enterprises. As at date, one enterprise has applied for refund under this Scheme.
82	Conduct a comprehensive review of our export model through a study to foster the transformation of the textile industry.	The Investment Support Programme (ISP) Ltd has launched a pre-bid call for "Expression of Interest" from suitably qualified international consultancy firms.
Annex A.1 (g)	An 8-year income tax holiday for companies engaged in the manufacture of nutraceutical products provided operations start on or after 4th June 2020.	Already operational with the enactment of the Finance Act 2020.
Annex A.1 (g)	An 8-year income tax holiday for companies engaged in the manufacture of pharmaceutical products, medical devices or high-tech products which have started or start operation on or after 8 th June 2017.	Already operational with the enactment of the Finance Act 2020.



Status on Implementation of Government Programme 2020-2024

Measures	Status
Formulation of a strategic plan for the manufacturing sector focusing on innovation-led, technology-intensive and import substitution activities while fostering export competitiveness.	<ul style="list-style-type: none"> The Industrial Policy and Strategic Plan (IPSP) (2020-2025) was completed with the assistance of the United Nations Conference on Trade and Development (UNCTAD). The IPSP was launched by the Hon. Minister in December 2020.

Status on Implementation of Key Actions in relation to the Manufacturing Sector

Key Actions	Key Performance Indicator	Target	Actual as at 30 June 2021	Status
Accreditation of conformity assessment bodies	Number of laboratories, Certification Bodies and Inspection Bodies accredited to international standards	4	Achieved: 3	3 new laboratories were accredited bringing the total number of accredited conformity assessment bodies to 34. The target of 4 for the financial year 2020-2021 could not be achieved due to the second lockdown in March 2021.



Risk Management, Citizen Oriented Initiatives & Good Governance

The Industrial Development Division has put in place a number of measures for the safeguard of its assets, operation of the control processes and compliance with the principles of good governance.

Risk Management



Ministry

Besides having a fixed asset register and an inventory system, trade data of a confidential nature is accessed through passwords and backup is effected on a monthly basis by the Business Information Unit.



MAURITAS

A risk management process has been developed to manage risks related to impartiality, including any conflicts of interest with respect to accreditation of laboratories and certification bodies. Potential risks related to corruption have also been identified. All the risks are recorded in a Risk Register which are reviewed and updated every six months.



Assay Office

Managing risk is an ongoing process at the Assay Office. The latest risk identified relates to market entry for new operators of the jewellery sector as well as for existing jewellers. The risk has been mitigated through the Jewellery (Dealer's Registration and Transactions) Regulations 2012, which was amended on 23 September 2020 to enable the Director to assess that new applicants and existing registered jewellers are "fit and proper" persons.





Anti-Corruption Framework

In line with Government initiative to uphold the principles of good governance and avoid the risks of corrupt practices, the Ministry has formulated its Anti-Corruption Policy and set up an Anti-Corruption Committee chaired by the Permanent Secretary. During the year under review, the Corruption Risk Areas identified have been addressed and were validated by the ICAC.

Citizen Oriented Initiatives



Ministry

- The Customer Charter of the Division ensures provision of timely, efficient and quality public service.
- The Website of the Ministry is updated regularly to ensure that the public gains access to timely and relevant information.



MAURITAS

- The management system which is based on the requirements of an international standard ISO/IEC 17011:2017 is operational to monitor and coordinate the delivery of accreditation services.
- The website of MAURITAS is regularly updated.
- MAURITAS is continuing with its annual feedback surveys among its client's base, as well as internal meetings, to evaluate its service delivery and the targeted set of Key Performance Indicators.



Assay Office

- Application for registration/renewal of dealer in jewellery and of Identification Mark is available online through the Government E-services portal and the website of the Assay Office.
- The Assay Office seeks feedback from its customers throughout the year to gauge satisfaction on its service delivery.

Good Governance

During financial year 2020/2021, the Audit Committee, chaired by the Deputy Permanent Secretary, met on six occasions and effectively addressed issues raised through audit exercises.

Implementation Plan - Director of Audit Comments

There has been no adverse comment on the Industrial Development Division in the last report of the Director of Audit.

A hand holding a white pen is positioned over a document. A semi-transparent blue bar chart with five bars of increasing height is overlaid on the document. The background is a blurred image of a person's face and a desk with a calculator and coins.

PART 3

FINANCIAL PERFORMANCE



FINANCIAL HIGHLIGHTS

Budget allocation under Vote/Sub-Head 11-102 for financial year 2020-2021 pertaining to the Industrial Development Division was **Rs 255,500,000**, out of which expenses totaling **Rs 234,465,254** have been incurred, leaving an unspent balance of **8.23%** of the total appropriation which represents mainly the non-filling of vacancies.

Statement of Expenditure & Revenue

Statement of Expenditure

The tables below show details of expenditure incurred under Sub-Head 11-102.

Sub-Head 11-102: Industrial Development

Table 1: Comparison of Expenditure under Vote/Sub-Head 11-102

Categories	2019-2020	2020-2021	2020-2021
	Actual (Rs)	Estimates (Rs)	Actual (Rs)
Compensation of Employees	52,588,467	57,355,000	53,297,849
Goods and Services	22,557,652	25,140,000	21,533,642
Grants – Recurrent	81,396,372	115,205,000	112,400,918
Grants – Capital	9,000,000	51,200,000	41,495,647
Acquisition of Non-Financial Assets	nil	6,600,000	5,737,197
TOTAL	<u>165,542,491</u>	<u>255,500,000</u>	<u>234,465,254</u>

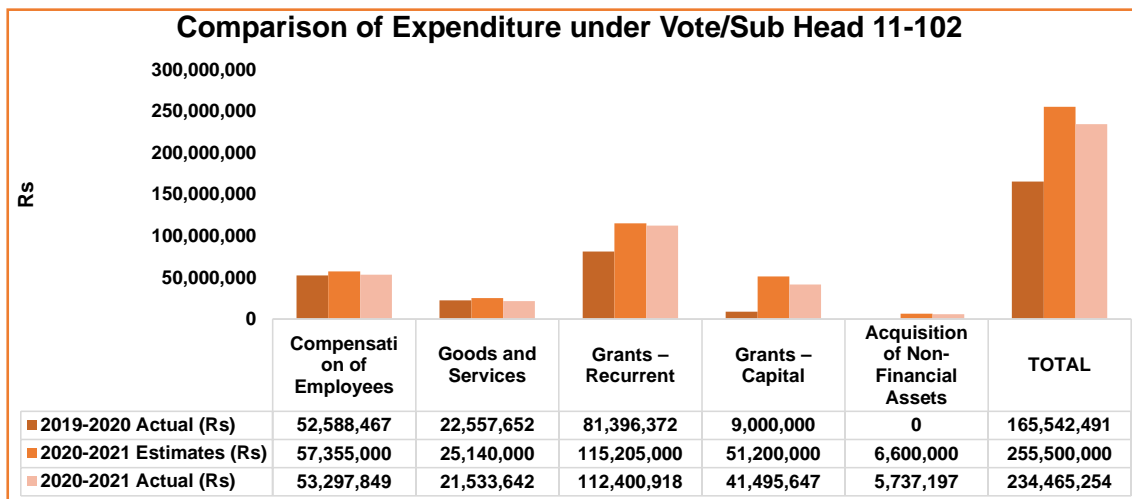


Figure 1: Comparison of Expenditure under Vote/Sub Head 11-102

FINANCIAL HIGHLIGHTS

As a percentage of total expenditure incurred, each economic category is represented as follows:

Table 2: Percentage of total expenditure under Vote/Sub Head 11-102

	Compensation of Employees	Goods and Services	Grants - Recurrent	Grants - Capital	Acquisition of Non-Financial Assets
%	23	9	48	18	2

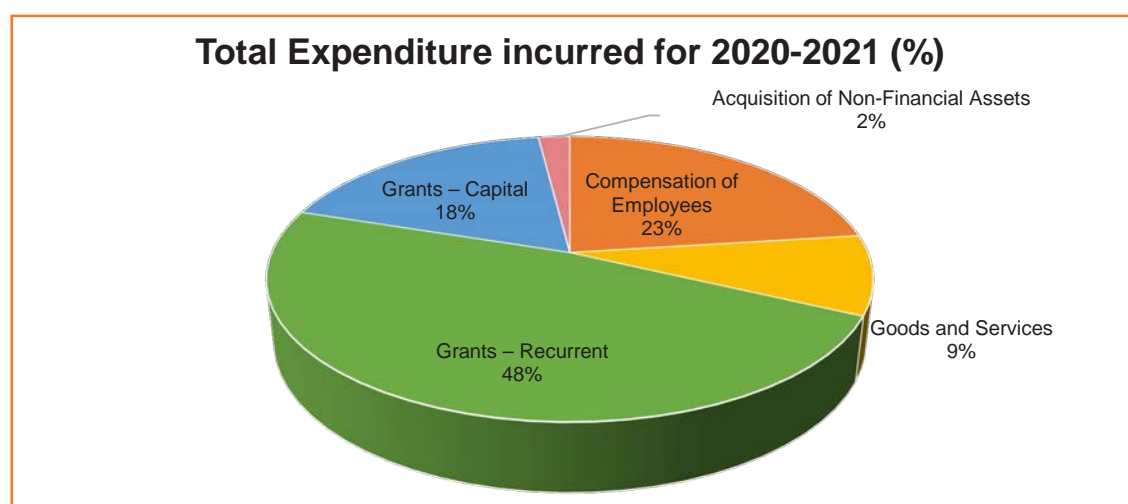


Figure 2: Distribution of Total Expenditure under Vote/Sub Head 11-102 (%)

“

Grants – Recurrent, represents Contribution to International Organisations and funds allocated to our three Extra-Budgetary Units, namely the Fashion and Design Institute (FDI), the Mauritius Standards Bureau (MSB) and National Productivity and Competitiveness Council (NPCC).

”



Statement of Revenue

Table 3: Statement of Revenue

Revenue	2019-2020	2020-2021	2020-2021
Categories	Actual (Rs)	Estimates (Rs)	Actual (Rs)
Sales of Goods and Services (Collection by Assay Office)	2,150,525	4,200,000	3,956,173
Miscellaneous Revenues (Collection by MAURITAS)	2,664,471	3093,000	3,030,870
TOTAL	<u>4,814,996</u>	<u>7,293,000</u>	<u>6,987,043</u>

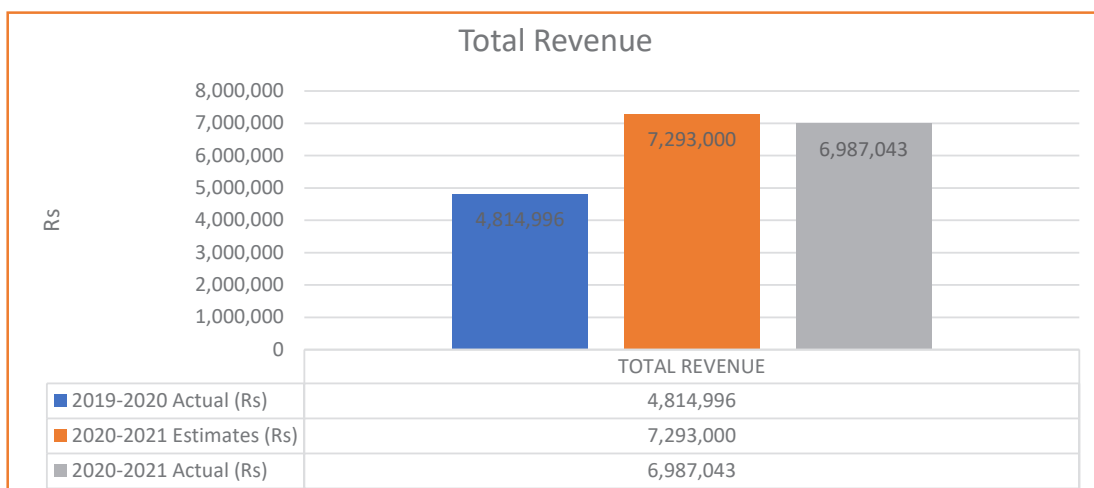


Figure 3: Total Revenue



Figure 4: Revenue Collected by Assay Office

FINANCIAL HIGHLIGHTS

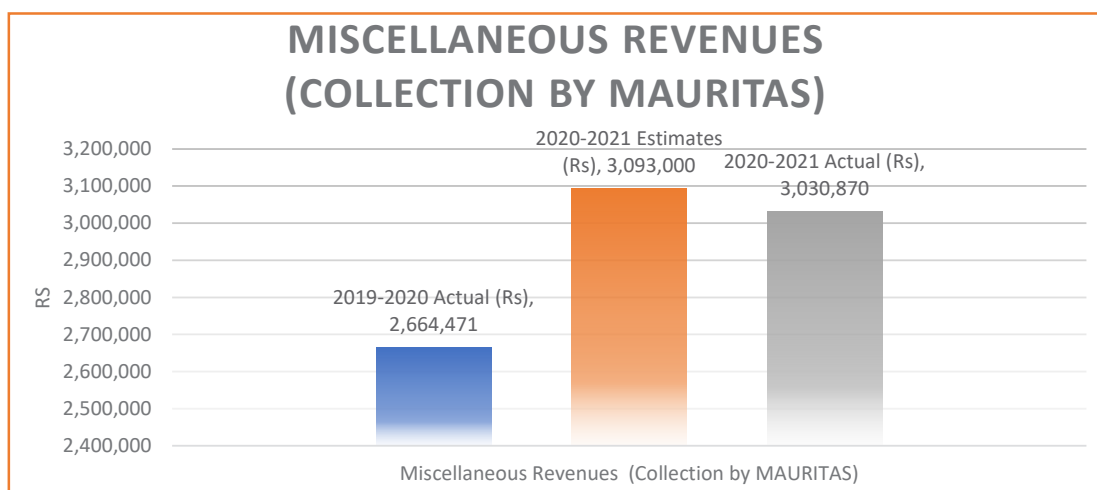


Figure 5: Revenue Collected by MAURITAS

The main assumption made for the revenue estimates 2020-2021 by **ASSAY OFFICE** was based on:

- Renewal of Registration of dealer in jewellery is effected once every 3 years. The last renewal exercise was carried out in the fiscal year 2020-2021. The next exercise would be undertaken in the fiscal year 2023-2024.

The main assumptions made for the revenue estimates 2020-2021 by **MAURITAS** were based on:

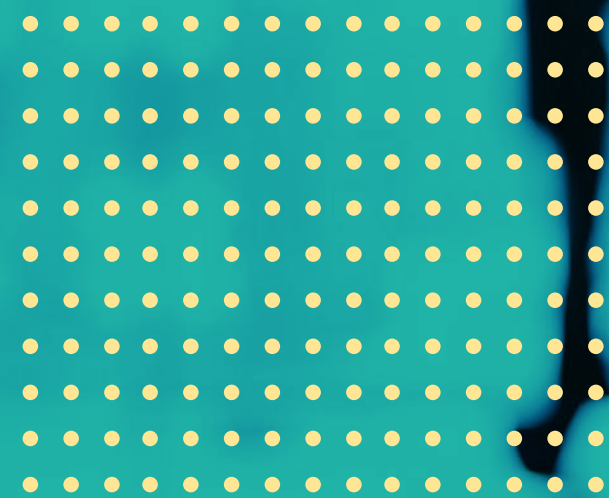
- An increase in the number of accredited bodies following the signatory status of MAURITAS with International Laboratory Accreditation Cooperation and International Accreditation Forum in October 2018.
- A total increase of the fees by **20%** in 2020-21 to cover for the:
 - Cumulative inflation rate of **17%** increase in fees and charges in 2013; and
 - Added value obtained from the international recognition status of MAURITAS with International Laboratory Accreditation Cooperation and International Accreditation Forum in October 2018.





PART 4

WAY FORWARD





TRENDS AND CHALLENGES

- The Mauritian manufacturing sector emerged almost unscathed from the deadly tentacles of the Covid-19 crisis. Our manufacturing sector did not sink in the distant abyss as was initially predicted. At a time when the whole world was plunged into an unprecedented depression, our export sector beamed out some rays of hope, doing off the worse scenario and posting a decent performance. Surprisingly, the sector turned out to be the sole foreign exchange earner last year.
- On the international front, the mist which has been haunting the global economy seems to have dissipated and this year there are hopes of a turnaround in our all major trading partners with a global growth rate of 6.0 %.
- As observed by the International Monetary Fund (IMF), the traditional challenges soaring in the global manufacturing landscape have, for many economies transmuted into a new challenge, particularly addressing the fault lines which are widening in the global recovery. Simply, the IMF views that the success of any economy lies in its capacity to solve its vaccination puzzle.
- Mauritius is quite ahead on the issue of vaccination with the majority of workers in the manufacturing sector having received at least the first jab and around 50 % of the workers were already vaccinated during the second confinement this year. The Honourable Minister ensured that the Ministry played a critical role in maintaining business continuity of our manufacturing enterprises during the two lockdowns in Mauritius.
- Amidst this global turmoil, the Ministry was able to come up with a document, the IPSP 2020-2025, that crafts out the contours of our future industrial strategy for the next five years. With the harnessing of our potential to boost local production, enhance our exports, innovate and adopt state-of-the-art technologies related to Industry 4.0, our manufacturing sector is expected to reach a new pedestal in the near future.
- The Honourable Minister is leaving no stone unturned to ensure that the country reaps the low hanging fruits as soon as possible to kick-start the transformative process of the sector. Regular follow up on the implementation of the IPSP is being effected with the setting up of a high level monitoring structure. In addition, the UNCTAD, which has assisted in the preparation of the IPSP document, is regularly briefed on progress made in the implementation process.

SWOT ANALYSIS

- Conducive business environment
- Dynamic entrepreneurship
- Strong public/private sector dialogue
- Positive economic and social indices
- Versatile labour force

- Exiguous domestic market
- Slow gains in productivity
- Deficiency in technology uptake
- Overdependence on a few export markets
- Skills mismatch and shortage of labour
- Lack of R & D for commercial applications

STRENGTHS

WEAKNESSES

OPPORTUNITIES

THREATS

SWOT ANALYSIS

- Favourable trade agreements with Europe (IEPA) and the USA (AGOA)
- Preferential access to the African market through SADC, COMESA and AfCFTA.
- Access to emerging markets through conclusion of new trade agreements such as CECPA with India and FTA with China.
- Leveraging on Industry 4.0 to upgrade to smart manufacturing

- Outbreak of Covid-19 pandemic resulting into global economic crisis
- Reduced frequency of air and sea traffic and high freight costs
- Disruption in sourcing of raw materials
- Volatility in oil and commodity prices
- Stiff competition from low-cost producers



STRENGTHS

OPPORTUNITIES

SWOT

WEAKNESS

THREATS

STRATEGIC DIRECTIONS

In order to propel the manufacturing sector to new heights, the following strategies are being implemented:

Strategic Direction	Enabler (s)
Support viable enterprises to prevent closure and avoid job losses	<ul style="list-style-type: none"> Implement Special Relief Programmes and schemes including loans at concessionary rates to support enterprises
Promotion of import substitution strategies by encouraging local production	<ul style="list-style-type: none"> Ensure level-playing field for imports and exports with regards to norms and standards Promote the culture of buying Mauritian products
Upgrade and modernise the manufacturing base for higher value-added products	<ul style="list-style-type: none"> Implement the recommendations of the Industrial Policy Strategic Plan 2020-2025 Encourage enterprises to re-engineer and re-orient their business models focusing on green and Industry 4.0 technologies Support Research & Development, innovation and technology absorption in industries
Boost the export manufacturing sector	<ul style="list-style-type: none"> Intensify export promotion campaigns in new and emerging markets Strengthen regional and global market opportunities Encourage the use of e-commerce platform to create visibility of locally manufactured products



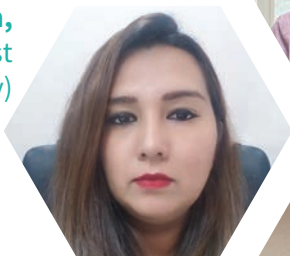


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